

By Speda

S.J.R. No. 26

SENATE
A JOINT RESOLUTION

1 proposing a constitutional amendment relating to investments made
2 by the Veterans' Land Board of funds in the Veterans' Land Fund or
3 the Veterans' Housing Assistance Fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Section 49-b, of the Texas
6 Constitution is amended to read as follows:

7 Sec. 49-b. By virtue of prior Amendments to this
8 Constitution, there has been created a governmental agency of the
9 State of Texas performing governmental duties which has been
10 designated the Veterans' Land Board. Said Board shall continue to
11 function for the purposes specified in all of the prior
12 Constitutional Amendments except as modified herein. Said Board
13 shall be composed of the Commissioner of the General Land Office
14 and two (2) citizens of the State of Texas, one (1) of whom shall
15 be well versed in veterans' affairs and one (1) of whom shall be
16 well versed in finances. One (1) such citizen member shall, with
17 the advice and consent of the Senate, be appointed biennially by
18 the Governor to serve for a term of four (4) years[~~but the~~
19 ~~members--serving-on-said-Board-on-the-date-of-adoption-hereof-shall~~
20 ~~complete-the-terms-to-which-they-were-appointed~~]. In the event of
21 the resignation or death of any such citizen member, the Governor
22 shall appoint a replacement to serve for the unexpired portion of
23 the term to which the deceased or resigning member had been
24 appointed. The compensation for said citizen members shall be as

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1 is now or may hereafter be fixed by the Legislature; and each shall
2 make bond in such amount as is now or may hereafter be prescribed
3 by the Legislature.

4 The Commissioner of the General Land Office shall act as
5 Chairman of said Board and shall be the administrator of the
6 Veterans' Land Program under such terms and restrictions as are now
7 or may hereafter be provided by law. In the absence or illness of
8 said Commissioner, the Chief Clerk of the General Land Office shall
9 be the Acting Chairman of said Board with the same duties and
10 powers that said Commissioner would have if present.

11 The Veterans' Land Board may provide for, issue and sell not
12 to exceed Nine Hundred Fifty Million Dollars (\$950,000,000) in
13 bonds or obligations of the State of Texas for the purpose of
14 creating a fund to be known as the Veterans' Land Fund, Seven
15 Hundred Million Dollars (\$700,000,000) of which have heretofore
16 been authorized. Such bonds or obligations shall be sold for not
17 less than par value and accrued interest; shall be issued in such
18 forms, denominations, and upon such terms as are now or may
19 hereafter be provided by law; shall be issued and sold at such
20 times, at such places, and in such installments as may be
21 determined by said Board; and shall bear a rate or rates of
22 interest as may be fixed by said Board but the weighted average
23 annual interest rate, as that phrase is commonly and ordinarily
24 used and understood in the municipal bond market, of all the bonds
25 issued and sold in any installment of any bonds may not exceed the ^{2 1/2}
26 rate specified in Section 65 of this Article. All bonds or
27 obligations issued and sold hereunder shall, after execution by the

1 Board, approval by the Attorney General of Texas, registration by
2 the Comptroller of Public Accounts of the State of Texas, and
3 delivery to the purchaser or purchasers, be incontestable and shall
4 constitute general obligations of the State of Texas under the
5 Constitution of Texas; and all bonds heretofore issued and sold by
6 said Board are hereby in all respects validated and declared to be
7 general obligations of the State of Texas. In order to prevent
8 default in the payment of principal or interest on any such bonds,
9 the Legislature shall appropriate a sufficient amount to pay the
10 same.

11 In the sale of any such bonds or obligations, a preferential
12 right of purchase shall be given to the administrators of the
13 various Teacher Retirement Funds, the Permanent University Funds,
14 and the Permanent School Funds.

15 Said Veterans' Land Fund shall consist of any lands
16 heretofore or hereafter purchased by said Board, until the sale
17 price therefor, together with any interest and penalties due, have
18 been received by said Board (although nothing herein shall be
19 construed to prevent said Board from accepting full payment for a
20 portion of any tract), and of the moneys attributable to any bonds
21 heretofore or hereafter issued and sold by said Board which moneys
22 so attributable shall include but shall not be limited to the
23 proceeds from the issuance and sale of such bonds; the moneys^{3/4}
24 received from the sale or resale of any lands, or rights therein,
25 purchased with such proceeds; the moneys received from the sale or
26 resale of any lands, or rights therein, purchased with other moneys
27 attributable to such bonds; the interest and penalties received

1 from the sale or resale of such lands, or rights therein; the
2 bonuses, income, rents, royalties, and any other pecuniary benefit
3 received by said Board from any such lands; sums received by way of
4 indemnity or forfeiture for the failure of any bidder for the
5 purchase of any such bonds to comply with his bid and accept and
6 pay for such bonds or for the failure of any bidder for the
7 purchase of any lands comprising a part of said Fund to comply with
8 his bid and accept and pay for any such lands; and interest
9 received from investments of any such moneys. The principal and
10 interest on the bonds heretofore and hereafter issued by said Board
11 shall be paid out of the moneys of said Fund in conformance with
12 the Constitutional provisions authorizing such bonds; but the
13 moneys of said Fund which are not immediately committed to the
14 payment of principal and interest on such bonds, the purchase of
15 lands as herein provided, or the payment of expenses as herein
16 provided may be invested as authorized by law [~~in--bonds--or~~
17 ~~obligations--of--the--United--States~~] until such moneys [~~funds~~] are
18 needed for such purposes.

19 All moneys comprising a part of said Fund and not expended
20 for the purposes herein provided shall be a part of said Fund until
21 there are sufficient moneys therein to retire fully all of the ^{4/5}
22 bonds heretofore or hereafter issued and sold by said Board, at
23 which time all such moneys remaining in said Fund, except such
24 portion thereof as may be necessary to retire all such bonds which
25 portion shall be set aside and retained in said Fund for the
26 purpose of retiring all such bonds, shall be deposited to the
27 credit of the General Revenue Fund to be appropriated to such

1 purposes as may be prescribed by law. All moneys becoming a part
2 of said Fund thereafter shall likewise be deposited to the credit
3 of the General Revenue Fund.

4 When a Division of said Fund (each Division consisting of the
5 moneys attributable to the bonds issued and sold pursuant to a
6 single Constitutional authorization and the lands purchased
7 therewith) contains sufficient moneys to retire all of the bonds
8 secured by such Division, the moneys thereof, except such portion
9 as may be needed to retire all of the bonds secured by such
10 Division which portion shall be set aside and remain a part of such
11 Division for the purpose of retiring all such bonds, may be used
12 for the purpose of paying the principal and the interest thereon,
13 together with the expenses herein authorized, of any other bonds
14 heretofore or hereafter issued and sold by said Board. Such use
15 shall be a matter for the discretion and direction of said Board;
16 but there may be no such use of any such moneys contrary to the
17 rights of any holder of any of the bonds issued and sold by said
18 Board or violative of any contract to which said Board is a party.

19 The Veterans' Land Fund shall be used by said Board for the
20 purpose of purchasing lands situated in the State of Texas owned by
21 the United States or any governmental agency thereof, owned by the
22 Texas Prison System or any other governmental agency of the State
23 of Texas, or owned by any person, firm, or corporation. All lands
24 thus purchased shall be acquired at the lowest price obtainable, to
25 be paid for in cash, and shall be a part of said Fund. Such lands
26 heretofore or hereafter purchased and comprising a part of said
27 Fund are hereby declared to be held for a governmental purpose,

1 although the individual purchasers thereof shall be subject to
2 taxation to the same extent and in the same manner as are
3 purchasers of lands dedicated to the Permanent Free Public School
4 Fund.

5 The lands of the Veterans' Land Fund shall be sold by said
6 Board in such quantities, on such terms, at such prices, at such
7 rates of interest and under such rules and regulations as are now
8 or may hereafter be provided by law to veterans, as they are now or
9 may hereafter be defined by the laws of the State of Texas. The
10 foregoing notwithstanding, any lands in the Veterans' Land Fund
11 which have been first offered for sale to veterans and which have
12 not been sold may be sold or resold to such purchasers, in such
13 quantities, and on such terms, and at such prices and rates of
14 interest, and under such rules and regulations as are now or may
15 hereafter be provided by law.

16 Said Veterans' Land Fund, to the extent of the moneys
17 attributable to any bonds hereafter issued and sold by said Board^{b/n}
18 may be used by said Board, as is now or may hereafter be provided
19 by law, for the purpose of paying the expenses of surveying,
20 monumenting, road construction, legal fees, recordation fees,
21 advertising and other like costs necessary or incidental to the
22 purchase and sale, or resale, of any lands purchased with any of
23 the moneys attributable to such additional bonds, such expenses to
24 be added to the price of such lands when sold, or resold, by said
25 Board; for the purpose of paying the expenses of issuing, selling,
26 and delivering any such additional bonds; and for the purpose of
27 meeting the expenses of paying the interest or principal due or to

1 become due on any such additional bonds.

2 All of the moneys attributable to any series of bonds
3 hereafter issued and sold by said Board (a "series of bonds" being
4 all of the bonds issued and sold in a single transaction as a
5 single installment of bonds) may be used for the purchase of lands
6 as herein provided, to be sold as herein provided, for a period
7 ending eight (8) years after the date of sale of such series of
8 bonds; provided, however, that so much of such moneys as may be
9 necessary to pay interest on bonds hereafter issued and sold shall
10 be set aside for that purpose in accordance with the resolution
11 adopted by said Board authorizing the issuance and sale of such
12 series of bonds. After such eight (8) year period, all of such
13 moneys shall be set aside for the retirement of any bonds hereafter
14 issued and sold and to pay interest thereon, together with any
15 expenses as provided herein, in accordance with the resolution or^{1/c}
16 resolutions authorizing the issuance and sale of such additional
17 bonds, until there are sufficient moneys to retire all of the bonds
18 hereafter issued and sold, at which time all such moneys then
19 remaining a part of said Veterans' Land Fund and thereafter
20 becoming a part of said Fund shall be governed as elsewhere
21 provided herein.

22 This Amendment being intended only to establish a basic
23 framework and not to be a comprehensive treatment of the Veterans'
24 Land Program, there is hereby reposed in the Legislature full power
25 to implement and effectuate the design and objects of this
26 Amendment, including the power to delegate such duties,
27 responsibilities, functions, and authority to the Veterans' Land

1 Board as it believes necessary.

2 Should the Legislature enact any enabling laws in
3 anticipation of this Amendment, no such law shall be void by reason
4 of its anticipatory nature.

5 SECTION 2. Article III, Sections 49-b-1(d) and (e), of the
6 Texas Constitution are amended to read as follows:

7 (d) Three hundred million dollars of the state bonds
8 authorized by this section shall be used to augment the Veterans'
9 Land Fund. The Veterans' Land Fund shall be used by the board for
10 the purpose of purchasing lands situated in the State of Texas
11 owned by the United States government or any agency thereof, the
12 State of Texas or any subdivision or agency thereof, or any person,
13 firm, or corporation. The lands shall be sold to veterans in such⁴/_x
14 quantities, on such terms, at such prices, at such rates of
15 interest, and under such rules and regulations as may be authorized
16 by law. The expenses of the board in connection with the issuance
17 of the bonds and the purchase and sale of the lands may be paid
18 from money in the fund. The Veterans' Land Fund shall continue to
19 consist of any lands purchased by the board until the sale price
20 therefor, together with any interest and penalties due, have been
21 received by the board (although nothing herein shall prevent the
22 board from accepting full payment for a portion of any tract) and
23 of the money attributable to any bonds issued and sold by the board
24 for the Veterans' Land Fund, which money so attributable shall
25 include but shall not be limited to the proceeds from the issuance
26 and sale of such bonds; the money received from the sale or resale
27 of any lands, or rights therein, purchased from such proceeds; the

1 money received from the sale or resale of any lands, or rights
2 therein, purchased with other money attributable to such bonds; the
3 interest and penalties received from the sale or resale of such
4 lands, or rights therein; the bonuses, income, rents, royalties,
5 and any other pecuniary benefit received by the board from any such
6 lands; sums received by way of indemnity or forfeiture for the
7 failure of any bidder for the purchase of any such bonds to comply
8 with his bid and accept and pay for such bonds or for the failure
9 of any bidder for the purchase of any lands comprising a part of
10 the fund to comply with his bid and accept and pay for any such
11 lands; and interest received from investments of any such money.^{9/10}
12 The principal of and interest on the general obligation bonds
13 previously authorized by Section 49-b of this constitution shall be
14 paid out of the money of the fund in conformance with the
15 constitutional provisions authorizing such bonds. The principal of
16 and interest on the general obligation bonds authorized by this
17 section for the benefit of the Veterans' Land Fund shall be paid
18 out of the money of the fund, but the money of the fund which is
19 not immediately committed to the payment of principal and interest
20 on such bonds, the purchase of lands as herein provided, or the
21 payment of expenses as herein provided may be invested as
22 authorized by law [~~in bonds or obligations of the United States~~]
23 until the money is needed for such purposes.

24 (e) The Veterans' Housing Assistance Fund is created, and \$1
25 billion of the state bonds authorized by this section shall be used
26 for the Veterans' Housing Assistance Fund, \$500 million of which
27 have heretofore been authorized. Money in the Veterans' Housing

1 Assistance Fund shall be administered by the Veterans' Land Board
2 and shall be used for the purpose of making home mortgage loans to
3 veterans for housing within the State of Texas in such quantities,
4 on such terms, at such rates of interest, and under such rules and
5 regulations as may be authorized by law. The expenses of the board
6 in connection with the issuance of the bonds and the making of the
7 loans may be paid from money in the fund. The Veterans' Housing
8 Assistance Fund shall consist of any interest of the board in all
9 home mortgage loans made to veterans by the board pursuant to a ^{10/11}
10 Veterans' Housing Assistance Program which the legislature may
11 establish by appropriate legislation until, with respect to any
12 such home mortgage loan, the principal amount, together with any
13 interest and penalties due, have been received by the board; the
14 money attributable to any bonds issued and sold by the board to
15 provide money for the fund, which money so attributable shall
16 include but shall not be limited to the proceeds from the issuance
17 and sale of such bonds; income, rents, and any other pecuniary
18 benefit received by the board as a result of making such loans;
19 sums received by way of indemnity or forfeiture for the failure of
20 any bidder for the purchase of any such bonds to comply with his
21 bid and accept and pay for such bonds; and interest received from
22 investments of any such money. The principal of and interest on
23 the general obligation bonds authorized by this section for the
24 benefit of the Veterans' Housing Assistance Fund shall be paid out
25 of the money of the fund, but the money of the fund which is not
26 immediately committed to the payment of principal and interest on
27 such bonds, the making of home mortgage loans as herein provided,

1 or the payment of expenses as herein provided may be invested as
2 authorized by law [~~in-bonds-or-obligations-of-the-United-States~~]
3 until the money is needed for such purposes.

4 SECTION 3. Article III, Section 49-b-1, of the Texas
5 Constitution is amended by adding Subsection (h) to read as
6 follows:

7 (h) This Amendment being intended only to establish a basic¹¹/₁₂
8 framework and not to be a comprehensive treatment of the Veterans'
9 Housing Assistance Program and the Veterans' Land Program, there is
10 hereby reposed in the Legislature full power to implement and
11 effectuate the design and objects of this Amendment, including the
12 power to delegate such duties, responsibilities, functions, and
13 authority to the Veterans' Land Board as it believes necessary.

14 SECTION 4. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held on November 5,
16 1991. The ballot shall be printed to provide for voting for or
17 against the proposition: "The constitutional amendment to
18 authorize the legislature to further implement and enhance the
19 administration of the veterans' housing assistance and land
20 programs and to expand the investment authority of the Veterans'
21 Land Board."

By: Tejeda S.J.R. No. 26
(In the Senate - Filed February 28, 1991; March 4, 1991, read first time and referred to Committee on Finance; March 26, 1991, reported favorably by the following vote: Yeas 9, Nays 0; March 26, 1991, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Montford	x			
Barrientos	x			
Armbrister	x			
Bivins	x			
Brooks				x
Haley	x			
Johnson				x
Parker				x
Ratliff	x			
Sims	x			
Tejeda	x			
Truan	x			
Turner				x

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Section 49-b, of the Texas Constitution is amended to read as follows:

Sec. 49-b. By virtue of prior Amendments to this Constitution, there has been created a governmental agency of the State of Texas performing governmental duties which has been designated the Veterans' Land Board. Said Board shall continue to function for the purposes specified in all of the prior Constitutional Amendments except as modified herein. Said Board shall be composed of the Commissioner of the General Land Office and two (2) citizens of the State of Texas, one (1) of whom shall be well versed in veterans' affairs and one (1) of whom shall be well versed in finances. One (1) such citizen member shall, with the advice and consent of the Senate, be appointed biennially by the Governor to serve for a term of four (4) years[~~;--but--the members--serving-on-said-Board-on-the-date-of-adoption-hereof-shall complete-the-terms-to-which-they-were-appointed~~]. In the event of the resignation or death of any such citizen member, the Governor shall appoint a replacement to serve for the unexpired portion of the term to which the deceased or resigning member had been appointed. The compensation for said citizen members shall be as is now or may hereafter be fixed by the Legislature; and each shall make bond in such amount as is now or may hereafter be prescribed by the Legislature.

The Commissioner of the General Land Office shall act as Chairman of said Board and shall be the administrator of the Veterans' Land Program under such terms and restrictions as are now or may hereafter be provided by law. In the absence or illness of said Commissioner, the Chief Clerk of the General Land Office shall be the Acting Chairman of said Board with the same duties and powers that said Commissioner would have if present.

The Veterans' Land Board may provide for, issue and sell not to exceed Nine Hundred Fifty Million Dollars (\$950,000,000) in bonds or obligations of the State of Texas for the purpose of creating a fund to be known as the Veterans' Land Fund, Seven Hundred Million Dollars (\$700,000,000) of which have heretofore been authorized. Such bonds or obligations shall be sold for not less than par value and accrued interest; shall be issued in such forms, denominations, and upon such terms as are now or may hereafter be provided by law; shall be issued and sold at such times, at such places, and in such installments as may be determined by said Board; and shall bear a rate or rates of

1 interest as may be fixed by said Board but the weighted average
 2 annual interest rate, as that phrase is commonly and ordinarily
 3 used and understood in the municipal bond market, of all the bonds
 4 issued and sold in any installment of any bonds may not exceed the
 5 rate specified in Section 65 of this Article. All bonds or
 6 obligations issued and sold hereunder shall, after execution by the
 7 Board, approval by the Attorney General of Texas, registration by
 8 the Comptroller of Public Accounts of the State of Texas, and
 9 delivery to the purchaser or purchasers, be incontestable and shall
 10 constitute general obligations of the State of Texas under the
 11 Constitution of Texas; and all bonds heretofore issued and sold by
 12 said Board are hereby in all respects validated and declared to be
 13 general obligations of the State of Texas. In order to prevent
 14 default in the payment of principal or interest on any such bonds,
 15 the Legislature shall appropriate a sufficient amount to pay the
 16 same.

17 In the sale of any such bonds or obligations, a preferential
 18 right of purchase shall be given to the administrators of the
 19 various Teacher Retirement Funds, the Permanent University Funds,
 20 and the Permanent School Funds.

21 Said Veterans' Land Fund shall consist of any lands
 22 heretofore or hereafter purchased by said Board, until the sale
 23 price therefor, together with any interest and penalties due, have
 24 been received by said Board (although nothing herein shall be
 25 construed to prevent said Board from accepting full payment for a
 26 portion of any tract), and of the moneys attributable to any bonds
 27 heretofore or hereafter issued and sold by said Board which moneys
 28 so attributable shall include but shall not be limited to the
 29 proceeds from the issuance and sale of such bonds; the moneys
 30 received from the sale or resale of any lands, or rights therein,
 31 purchased with such proceeds; the moneys received from the sale or
 32 resale of any lands, or rights therein, purchased with other moneys
 33 attributable to such bonds; the interest and penalties received
 34 from the sale or resale of such lands, or rights therein; the
 35 bonuses, income, rents, royalties, and any other pecuniary benefit
 36 received by said Board from any such lands; sums received by way of
 37 indemnity or forfeiture for the failure of any bidder for the
 38 purchase of any such bonds to comply with his bid and accept and
 39 pay for such bonds or for the failure of any bidder for the
 40 purchase of any lands comprising a part of said Fund to comply with
 41 his bid and accept and pay for any such lands; and interest
 42 received from investments of any such moneys. The principal and
 43 interest on the bonds heretofore and hereafter issued by said Board
 44 shall be paid out of the moneys of said Fund in conformance with
 45 the Constitutional provisions authorizing such bonds; but the
 46 moneys of said Fund which are not immediately committed to the
 47 payment of principal and interest on such bonds, the purchase of
 48 lands as herein provided, or the payment of expenses as herein
 49 provided may be invested as authorized by law [~~in--bonds--or~~
 50 ~~obligations--of--the--United--States~~] until such moneys [~~funds~~] are
 51 needed for such purposes.

52 All moneys comprising a part of said Fund and not expended
 53 for the purposes herein provided shall be a part of said Fund until
 54 there are sufficient moneys therein to retire fully all of the
 55 bonds heretofore or hereafter issued and sold by said Board, at
 56 which time all such moneys remaining in said Fund, except such
 57 portion thereof as may be necessary to retire all such bonds which
 58 portion shall be set aside and retained in said Fund for the
 59 purpose of retiring all such bonds, shall be deposited to the
 60 credit of the General Revenue Fund to be appropriated to such
 61 purposes as may be prescribed by law. All moneys becoming a part
 62 of said Fund thereafter shall likewise be deposited to the credit
 63 of the General Revenue Fund.

64 When a Division of said Fund (each Division consisting of the
 65 moneys attributable to the bonds issued and sold pursuant to a
 66 single Constitutional authorization and the lands purchased
 67 therewith) contains sufficient moneys to retire all of the bonds
 68 secured by such Division, the moneys thereof, except such portion
 69 as may be needed to retire all of the bonds secured by such
 70 Division which portion shall be set aside and remain a part of such

1 Division for the purpose of retiring all such bonds, may be used
2 for the purpose of paying the principal and the interest thereon,
3 together with the expenses herein authorized, of any other bonds
4 heretofore or hereafter issued and sold by said Board. Such use
5 shall be a matter for the discretion and direction of said Board;
6 but there may be no such use of any such moneys contrary to the
7 rights of any holder of any of the bonds issued and sold by said
8 Board or violative of any contract to which said Board is a party.

9 The Veterans' Land Fund shall be used by said Board for the
10 purpose of purchasing lands situated in the State of Texas owned by
11 the United States or any governmental agency thereof, owned by the
12 Texas Prison System or any other governmental agency of the State
13 of Texas, or owned by any person, firm, or corporation. All lands
14 thus purchased shall be acquired at the lowest price obtainable, to
15 be paid for in cash, and shall be a part of said Fund. Such lands
16 heretofore or hereafter purchased and comprising a part of said
17 Fund are hereby declared to be held for a governmental purpose,
18 although the individual purchasers thereof shall be subject to
19 taxation to the same extent and in the same manner as are
20 purchasers of lands dedicated to the Permanent Free Public School
21 Fund.

22 The lands of the Veterans' Land Fund shall be sold by said
23 Board in such quantities, on such terms, at such prices, at such
24 rates of interest and under such rules and regulations as are now
25 or may hereafter be provided by law to veterans, as they are now or
26 may hereafter be defined by the laws of the State of Texas. The
27 foregoing notwithstanding, any lands in the Veterans' Land Fund
28 which have been first offered for sale to veterans and which have
29 not been sold may be sold or resold to such purchasers, in such
30 quantities, and on such terms, and at such prices and rates of
31 interest, and under such rules and regulations as are now or may
32 hereafter be provided by law.

33 Said Veterans' Land Fund, to the extent of the moneys
34 attributable to any bonds hereafter issued and sold by said Board
35 may be used by said Board, as is now or may hereafter be provided
36 by law, for the purpose of paying the expenses of surveying,
37 monumenting, road construction, legal fees, recordation fees,
38 advertising and other like costs necessary or incidental to the
39 purchase and sale, or resale, of any lands purchased with any of
40 the moneys attributable to such additional bonds, such expenses to
41 be added to the price of such lands when sold, or resold, by said
42 Board; for the purpose of paying the expenses of issuing, selling,
43 and delivering any such additional bonds; and for the purpose of
44 meeting the expenses of paying the interest or principal due or to
45 become due on any such additional bonds.

46 All of the moneys attributable to any series of bonds
47 hereafter issued and sold by said Board (a "series of bonds" being
48 all of the bonds issued and sold in a single transaction as a
49 single installment of bonds) may be used for the purchase of lands
50 as herein provided, to be sold as herein provided, for a period
51 ending eight (8) years after the date of sale of such series of
52 bonds; provided, however, that so much of such moneys as may be
53 necessary to pay interest on bonds hereafter issued and sold shall
54 be set aside for that purpose in accordance with the resolution
55 adopted by said Board authorizing the issuance and sale of such
56 series of bonds. After such eight (8) year period, all of such
57 moneys shall be set aside for the retirement of any bonds hereafter
58 issued and sold and to pay interest thereon, together with any
59 expenses as provided herein, in accordance with the resolution or
60 resolutions authorizing the issuance and sale of such additional
61 bonds, until there are sufficient moneys to retire all of the bonds
62 hereafter issued and sold, at which time all such moneys then
63 remaining a part of said Veterans' Land Fund and thereafter
64 becoming a part of said Fund shall be governed as elsewhere
65 provided herein.

66 This Amendment being intended only to establish a basic
67 framework and not to be a comprehensive treatment of the Veterans'
68 Land Program, there is hereby reposed in the Legislature full power
69 to implement and effectuate the design and objects of this
70 Amendment, including the power to delegate such duties,

responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

Should the Legislature enact any enabling laws in anticipation of this Amendment, no such law shall be void by reason of its anticipatory nature.

SECTION 2. Article III, Sections 49-b-1(d) and (e), of the Texas Constitution are amended to read as follows:

(d) Three hundred million dollars of the state bonds authorized by this section shall be used to augment the Veterans' Land Fund. The Veterans' Land Fund shall be used by the board for the purpose of purchasing lands situated in the State of Texas owned by the United States government or any agency thereof, the State of Texas or any subdivision or agency thereof, or any person, firm, or corporation. The lands shall be sold to veterans in such quantities, on such terms, at such prices, at such rates of interest, and under such rules and regulations as may be authorized by law. The expenses of the board in connection with the issuance of the bonds and the purchase and sale of the lands may be paid from money in the fund. The Veterans' Land Fund shall continue to consist of any lands purchased by the board until the sale price therefor, together with any interest and penalties due, have been received by the board (although nothing herein shall prevent the board from accepting full payment for a portion of any tract) and of the money attributable to any bonds issued and sold by the board for the Veterans' Land Fund, which money so attributable shall include but shall not be limited to the proceeds from the issuance and sale of such bonds; the money received from the sale or resale of any lands, or rights therein, purchased from such proceeds; the money received from the sale or resale of any lands, or rights therein, purchased with other money attributable to such bonds; the interest and penalties received from the sale or resale of such lands, or rights therein; the bonuses, income, rents, royalties, and any other pecuniary benefit received by the board from any such lands; sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any such bonds to comply with his bid and accept and pay for such bonds or for the failure of any bidder for the purchase of any lands comprising a part of the fund to comply with his bid and accept and pay for any such lands; and interest received from investments of any such money. The principal of and interest on the general obligation bonds previously authorized by Section 49-b of this constitution shall be paid out of the money of the fund in conformance with the constitutional provisions authorizing such bonds. The principal of and interest on the general obligation bonds authorized by this section for the benefit of the Veterans' Land Fund shall be paid out of the money of the fund, but the money of the fund which is not immediately committed to the payment of principal and interest on such bonds, the purchase of lands as herein provided, or the payment of expenses as herein provided may be invested as authorized by law [~~in bonds or obligations of the United States~~] until the money is needed for such purposes.

(e) The Veterans' Housing Assistance Fund is created, and \$1 billion of the state bonds authorized by this section shall be used for the Veterans' Housing Assistance Fund, \$500 million of which have heretofore been authorized. Money in the Veterans' Housing Assistance Fund shall be administered by the Veterans' Land Board and shall be used for the purpose of making home mortgage loans to veterans for housing within the State of Texas in such quantities, on such terms, at such rates of interest, and under such rules and regulations as may be authorized by law. The expenses of the board in connection with the issuance of the bonds and the making of the loans may be paid from money in the fund. The Veterans' Housing Assistance Fund shall consist of any interest of the board in all home mortgage loans made to veterans by the board pursuant to a Veterans' Housing Assistance Program which the legislature may establish by appropriate legislation until, with respect to any such home mortgage loan, the principal amount, together with any interest and penalties due, have been received by the board; the money attributable to any bonds issued and sold by the board to provide money for the fund, which money so attributable shall

1 include but shall not be limited to the proceeds from the issuance
2 and sale of such bonds; income, rents, and any other pecuniary
3 benefit received by the board as a result of making such loans;
4 sums received by way of indemnity or forfeiture for the failure of
5 any bidder for the purchase of any such bonds to comply with his
6 bid and accept and pay for such bonds; and interest received from
7 investments of any such money. The principal of and interest on
8 the general obligation bonds authorized by this section for the
9 benefit of the Veterans' Housing Assistance Fund shall be paid out
10 of the money of the fund, but the money of the fund which is not
11 immediately committed to the payment of principal and interest on
12 such bonds, the making of home mortgage loans as herein provided,
13 or the payment of expenses as herein provided may be invested as
14 authorized by law [in-bonds-or-obligations-of-the-United-States]
15 until the money is needed for such purposes.

16 SECTION 3. Article III, Section 49-b-1, of the Texas
17 Constitution is amended by adding Subsection (h) to read as
18 follows:

19 (h) This Amendment being intended only to establish a basic
20 framework and not to be a comprehensive treatment of the Veterans'
21 Housing Assistance Program and the Veterans' Land Program, there is
22 hereby reposed in the Legislature full power to implement and
23 effectuate the design and objects of this Amendment, including the
24 power to delegate such duties, responsibilities, functions, and
25 authority to the Veterans' Land Board as it believes necessary.

26 SECTION 4. This proposed constitutional amendment shall be
27 submitted to the voters at an election to be held on November 5,
28 1991. The ballot shall be printed to provide for voting for or
29 against the proposition: "The constitutional amendment to
30 authorize the legislature to further implement and enhance the
31 administration of the veterans' housing assistance and land
32 programs and to expand the investment authority of the Veterans'
33 Land Board."

34 * * * * *

35 Austin, Texas
36 March 26, 1991

37 Hon. Bob Bullock
38 President of the Senate

39 Sir:

40 We, your Committee on Finance to which was referred S.J.R. No. 26,
41 have had the same under consideration, and I am instructed to
42 report it back to the Senate with the recommendation that it do
43 pass and be printed.

44 Montford, Chairman

**FAVORABLE
SENATE COMMITTEE REPORT ON**

SB SCR (SJR) SR HB HCR HJR 26
 By Tejeda
 (Author/Senate Sponsor)
3/26/91
 (date of submission to Senate)

Lt. Governor Bob Bullock
 President of the Senate

Sir:

We, your Committee on Finance, to which was referred the attached measure,
 have on 3/25/91, had the same under consideration and I am instructed to report it
 (date of hearing)
 back with the recommendation (s) that it:

☒ do pass and be printed

☐ do pass and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chairman	<input checked="" type="checkbox"/>			
Barrientos, Vice-Chairman	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Bivins	<input checked="" type="checkbox"/>			
Brooks			<input checked="" type="checkbox"/>	
Haley	<input checked="" type="checkbox"/>			
Johnson			<input checked="" type="checkbox"/>	
Parker			<input checked="" type="checkbox"/>	
Ratliff	<input checked="" type="checkbox"/>			
Sims	<input checked="" type="checkbox"/>			
Tejeda	<input checked="" type="checkbox"/>			
Truan	<input checked="" type="checkbox"/>			
Turner			<input checked="" type="checkbox"/>	
TOTAL VOTES	9	0	4	0

COMMITTEE ACTION

S260 Considered in public hearing

S270 Testimony taken

COMMITTEE CLERK

CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill
 Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol
 Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol
 Retain one copy of this form for Committee files

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

March 24, 1991

TO: Honorable John Montford, Chairman IN RE: Senate Joint Resolution No. 26
 Committee on Finance By: Tejeda
 Senate Chamber
 Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 26 (proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund) this office has determined the following:

The bill would amend Article III, Section 49-b of the Texas Constitution to allow the Veterans Land Board to utilize the expanded options authorized in Senate Bill 647 in investing any available moneys in the Fund. Because of the anticipated improved performance of these new investment options, it is expected that additional investment income would be earned.

It is estimated that existing staff would be adequate to carry out the requirements of the bill.

The probable revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Gain to the Veterans Land Bond Fund</u>
1992	\$ 800,000
1993	1,100,000
1994	1,375,000
1995	1,625,000
1996	1,850,000

No significant fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Board and Veterans Land Board;
 LBB Staff: JO, JWH, DF, KNW, LC

Che

March 27 1991 Engrossed
Betsy Gawn
Engrossing Clerk

71 APR - 11 5 43

11 11 11 11 11

I certify that the attached is a true and correct
copy of SR 26, which was
received from the Senate on 3-27-91, and
referred to the Committee on Environment and
Affairs
Betsy Gawn
Chief Clerk of the House

By: Tejeda
(Counts) S.J.R. No. 26

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment relating to investments made
2 by the Veterans' Land Board of funds in the Veterans' Land Fund or
3 the Veterans' Housing Assistance Fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Section 49-b, of the Texas
6 Constitution is amended to read as follows:

7 Sec. 49-b. By virtue of prior Amendments to this
8 Constitution, there has been created a governmental agency of the
9 State of Texas performing governmental duties which has been
10 designated the Veterans' Land Board. Said Board shall continue to
11 function for the purposes specified in all of the prior
12 Constitutional Amendments except as modified herein. Said Board
13 shall be composed of the Commissioner of the General Land Office
14 and two (2) citizens of the State of Texas, one (1) of whom shall
15 be well versed in veterans' affairs and one (1) of whom shall be
16 well versed in finances. One (1) such citizen member shall, with
17 the advice and consent of the Senate, be appointed biennially by
18 the Governor to serve for a term of four (4) years[~~7--but--the~~
19 ~~members--serving-on-said-Board-on-the-date-of-adoption-hereof-shall~~
20 ~~complete-the-terms-to-which-they-were-appointed~~]. In the event of
21 the resignation or death of any such citizen member, the Governor
22 shall appoint a replacement to serve for the unexpired portion of
23 the term to which the deceased or resigning member had been
24 appointed. The compensation for said citizen members shall be as

S.J.R. No. 26

1 is now or may hereafter be fixed by the Legislature; and each shall
2 make bond in such amount as is now or may hereafter be prescribed
3 by the Legislature.

4 The Commissioner of the General Land Office shall act as
5 Chairman of said Board and shall be the administrator of the
6 Veterans' Land Program under such terms and restrictions as are now
7 or may hereafter be provided by law. In the absence or illness of
8 said Commissioner, the Chief Clerk of the General Land Office shall
9 be the Acting Chairman of said Board with the same duties and
10 powers that said Commissioner would have if present.

11 The Veterans' Land Board may provide for, issue and sell not
12 to exceed Nine Hundred Fifty Million Dollars (\$950,000,000) in
13 bonds or obligations of the State of Texas for the purpose of
14 creating a fund to be known as the Veterans' Land Fund, Seven
15 Hundred Million Dollars (\$700,000,000) of which have heretofore
16 been authorized. Such bonds or obligations shall be sold for not
17 less than par value and accrued interest; shall be issued in such
18 forms, denominations, and upon such terms as are now or may
19 hereafter be provided by law; shall be issued and sold at such
20 times, at such places, and in such installments as may be
21 determined by said Board; and shall bear a rate or rates of
22 interest as may be fixed by said Board but the weighted average
23 annual interest rate, as that phrase is commonly and ordinarily
24 used and understood in the municipal bond market, of all the bonds
25 issued and sold in any installment of any bonds may not exceed the

che

S.J.R. No. 26

1 rate specified in Section 65 of this Article. All bonds or
2 obligations issued and sold hereunder shall, after execution by the
3 Board, approval by the Attorney General of Texas, registration by
4 the Comptroller of Public Accounts of the State of Texas, and
5 delivery to the purchaser or purchasers, be incontestable and shall
6 constitute general obligations of the State of Texas under the
7 Constitution of Texas; and all bonds heretofore issued and sold by
8 said Board are hereby in all respects validated and declared to be
9 general obligations of the State of Texas. In order to prevent
10 default in the payment of principal or interest on any such bonds,
11 the Legislature shall appropriate a sufficient amount to pay the
12 same.

13 In the sale of any such bonds or obligations, a preferential
14 right of purchase shall be given to the administrators of the
15 various Teacher Retirement Funds, the Permanent University Funds,
16 and the Permanent School Funds.

17 Said Veterans' Land Fund shall consist of any lands
18 heretofore or hereafter purchased by said Board, until the sale
19 price therefor, together with any interest and penalties due, have
20 been received by said Board (although nothing herein shall be
21 construed to prevent said Board from accepting full payment for a
22 portion of any tract), and of the moneys attributable to any bonds
23 heretofore or hereafter issued and sold by said Board which moneys
24 so attributable shall include but shall not be limited to the
25 proceeds from the issuance and sale of such bonds; the moneys

S.J.R. No. 26

1 received from the sale or resale of any lands, or rights therein,
2 purchased with such proceeds; the moneys received from the sale or
3 resale of any lands, or rights therein, purchased with other moneys
4 attributable to such bonds; the interest and penalties received
5 from the sale or resale of such lands, or rights therein; the
6 bonuses, income, rents, royalties, and any other pecuniary benefit
7 received by said Board from any such lands; sums received by way of
8 indemnity or forfeiture for the failure of any bidder for the
9 purchase of any such bonds to comply with his bid and accept and
10 pay for such bonds or for the failure of any bidder for the
11 purchase of any lands comprising a part of said Fund to comply with
12 his bid and accept and pay for any such lands; and interest
13 received from investments of any such moneys. The principal and
14 interest on the bonds heretofore and hereafter issued by said Board
15 shall be paid out of the moneys of said Fund in conformance with
16 the Constitutional provisions authorizing such bonds; but the
17 moneys of said Fund which are not immediately committed to the
18 payment of principal and interest on such bonds, the purchase of
19 lands as herein provided, or the payment of expenses as herein
20 provided may be invested as authorized by law [~~in--bonds--or~~
21 ~~obligations--of--the--United--States~~] until such moneys [~~funds~~] are
22 needed for such purposes.

23 All moneys comprising a part of said Fund and not expended
24 for the purposes herein provided shall be a part of said Fund until
25 there are sufficient moneys therein to retire fully all of the

bonds heretofore or hereafter issued and sold by said Board, at which time all such moneys remaining in said Fund, except such portion thereof as may be necessary to retire all such bonds which portion shall be set aside and retained in said Fund for the purpose of retiring all such bonds, shall be deposited to the credit of the General Revenue Fund to be appropriated to such purposes as may be prescribed by law. All moneys becoming a part of said Fund thereafter shall likewise be deposited to the credit of the General Revenue Fund.

When a Division of said Fund (each Division consisting of the moneys attributable to the bonds issued and sold pursuant to a single Constitutional authorization and the lands purchased therewith) contains sufficient moneys to retire all of the bonds secured by such Division, the moneys thereof, except such portion as may be needed to retire all of the bonds secured by such Division which portion shall be set aside and remain a part of such Division for the purpose of retiring all such bonds, may be used for the purpose of paying the principal and the interest thereon, together with the expenses herein authorized, of any other bonds heretofore or hereafter issued and sold by said Board. Such use shall be a matter for the discretion and direction of said Board; but there may be no such use of any such moneys contrary to the rights of any holder of any of the bonds issued and sold by said Board or violative of any contract to which said Board is a party.

The Veterans' Land Fund shall be used by said Board for the

1 purpose of purchasing lands situated in the State of Texas owned by
2 the United States or any governmental agency thereof, owned by the
3 Texas Prison System or any other governmental agency of the State
4 of Texas, or owned by any person, firm, or corporation. All lands
5 thus purchased shall be acquired at the lowest price obtainable, to
6 be paid for in cash, and shall be a part of said Fund. Such lands
7 heretofore or hereafter purchased and comprising a part of said
8 Fund are hereby declared to be held for a governmental purpose,
9 although the individual purchasers thereof shall be subject to
10 taxation to the same extent and in the same manner as are
11 purchasers of lands dedicated to the Permanent Free Public School
12 Fund.

13 The lands of the Veterans' Land Fund shall be sold by said
14 Board in such quantities, on such terms, at such prices, at such
15 rates of interest and under such rules and regulations as are now
16 or may hereafter be provided by law to veterans, as they are now or
17 may hereafter be defined by the laws of the State of Texas. The
18 foregoing notwithstanding, any lands in the Veterans' Land Fund
19 which have been first offered for sale to veterans and which have
20 not been sold may be sold or resold to such purchasers, in such
21 quantities, and on such terms, and at such prices and rates of
22 interest, and under such rules and regulations as are now or may
23 hereafter be provided by law.

24 Said Veterans' Land Fund, to the extent of the moneys
25 attributable to any bonds hereafter issued and sold by said Board

S.J.R. No. 26

1 may be used by said Board, as is now or may hereafter be provided
2 by law, for the purpose of paying the expenses of surveying,
3 monumenting, road construction, legal fees, recordation fees,
4 advertising and other like costs necessary or incidental to the
5 purchase and sale, or resale, of any lands purchased with any of
6 the moneys attributable to such additional bonds, such expenses to
7 be added to the price of such lands when sold, or resold, by said
8 Board; for the purpose of paying the expenses of issuing, selling,
9 and delivering any such additional bonds; and for the purpose of
10 meeting the expenses of paying the interest or principal due or to
11 become due on any such additional bonds.

12 All of the moneys attributable to any series of bonds
13 hereafter issued and sold by said Board (a "series of bonds" being
14 all of the bonds issued and sold in a single transaction as a
15 single installment of bonds) may be used for the purchase of lands
16 as herein provided, to be sold as herein provided, for a period
17 ending eight (8) years after the date of sale of such series of
18 bonds; provided, however, that so much of such moneys as may be
19 necessary to pay interest on bonds hereafter issued and sold shall
20 be set aside for that purpose in accordance with the resolution
21 adopted by said Board authorizing the issuance and sale of such
22 series of bonds. After such eight (8) year period, all of such
23 moneys shall be set aside for the retirement of any bonds hereafter
24 issued and sold and to pay interest thereon, together with any
25 expenses as provided herein, in accordance with the resolution or

S.J.R. No. 26

1 resolutions authorizing the issuance and sale of such additional
2 bonds, until there are sufficient moneys to retire all of the bonds
3 hereafter issued and sold, at which time all such moneys then
4 remaining a part of said Veterans' Land Fund and thereafter
5 becoming a part of said Fund shall be governed as elsewhere
6 provided herein.

7 This Amendment being intended only to establish a basic
8 framework and not to be a comprehensive treatment of the Veterans'
9 Land Program, there is hereby reposed in the Legislature full power
10 to implement and effectuate the design and objects of this
11 Amendment, including the power to delegate such duties,
12 responsibilities, functions, and authority to the Veterans' Land
13 Board as it believes necessary.

14 Should the Legislature enact any enabling laws in
15 anticipation of this Amendment, no such law shall be void by reason
16 of its anticipatory nature.

17 SECTION 2. Article III, Sections 49-b-1(d) and (e), of the
18 Texas Constitution are amended to read as follows:

19 (d) Three hundred million dollars of the state bonds
20 authorized by this section shall be used to augment the Veterans'
21 Land Fund. The Veterans' Land Fund shall be used by the board for
22 the purpose of purchasing lands situated in the State of Texas
23 owned by the United States government or any agency thereof, the
24 State of Texas or any subdivision or agency thereof, or any person,
25 firm, or corporation. The lands shall be sold to veterans in such

S.J.R. No. 26

1 quantities, on such terms, at such prices, at such rates of
2 interest, and under such rules and regulations as may be authorized
3 by law. The expenses of the board in connection with the issuance
4 of the bonds and the purchase and sale of the lands may be paid
5 from money in the fund. The Veterans' Land Fund shall continue to
6 consist of any lands purchased by the board until the sale price
7 therefor, together with any interest and penalties due, have been
8 received by the board (although nothing herein shall prevent the
9 board from accepting full payment for a portion of any tract) and
10 of the money attributable to any bonds issued and sold by the board
11 for the Veterans' Land Fund, which money so attributable shall
12 include but shall not be limited to the proceeds from the issuance
13 and sale of such bonds; the money received from the sale or resale
14 of any lands, or rights therein, purchased from such proceeds; the
15 money received from the sale or resale of any lands, or rights
16 therein, purchased with other money attributable to such bonds; the
17 interest and penalties received from the sale or resale of such
18 lands, or rights therein; the bonuses, income, rents, royalties,
19 and any other pecuniary benefit received by the board from any such
20 lands; sums received by way of indemnity or forfeiture for the
21 failure of any bidder for the purchase of any such bonds to comply
22 with his bid and accept and pay for such bonds or for the failure
23 of any bidder for the purchase of any lands comprising a part of
24 the fund to comply with his bid and accept and pay for any such
25 lands; and interest received from investments of any such money.

1 The principal of and interest on the general obligation bonds
 2 previously authorized by Section 49-b of this constitution shall be
 3 paid out of the money of the fund in conformance with the
 4 constitutional provisions authorizing such bonds. The principal of
 5 and interest on the general obligation bonds authorized by this
 6 section for the benefit of the Veterans' Land Fund shall be paid
 7 out of the money of the fund, but the money of the fund which is
 8 not immediately committed to the payment of principal and interest
 9 on such bonds, the purchase of lands as herein provided, or the
 10 payment of expenses as herein provided may be invested as
 11 authorized by law [~~in-bonds-or-obligations-of-the-United-States~~]
 12 until the money is needed for such purposes.

13 (e) The Veterans' Housing Assistance Fund is created, and \$1
 14 billion of the state bonds authorized by this section shall be used
 15 for the Veterans' Housing Assistance Fund, \$500 million of which
 16 have heretofore been authorized. Money in the Veterans' Housing
 17 Assistance Fund shall be administered by the Veterans' Land Board
 18 and shall be used for the purpose of making home mortgage loans to
 19 veterans for housing within the State of Texas in such quantities,
 20 on such terms, at such rates of interest, and under such rules and
 21 regulations as may be authorized by law. The expenses of the board
 22 in connection with the issuance of the bonds and the making of the
 23 loans may be paid from money in the fund. The Veterans' Housing
 24 Assistance Fund shall consist of any interest of the board in all
 25 home mortgage loans made to veterans by the board pursuant to a

Veterans' Housing Assistance Program which the legislature may establish by appropriate legislation until, with respect to any such home mortgage loan, the principal amount, together with any interest and penalties due, have been received by the board; the money attributable to any bonds issued and sold by the board to provide money for the fund, which money so attributable shall include but shall not be limited to the proceeds from the issuance and sale of such bonds; income, rents, and any other pecuniary benefit received by the board as a result of making such loans; sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any such bonds to comply with his bid and accept and pay for such bonds; and interest received from investments of any such money. The principal of and interest on the general obligation bonds authorized by this section for the benefit of the Veterans' Housing Assistance Fund shall be paid out of the money of the fund, but the money of the fund which is not immediately committed to the payment of principal and interest on such bonds, the making of home mortgage loans as herein provided, or the payment of expenses as herein provided may be invested as authorized by law [~~in bonds or obligations of the United States~~] until the money is needed for such purposes.

SECTION 3. Article III, Section 49-b-1, of the Texas Constitution is amended by adding Subsection (h) to read as follows:

(h) This Amendment being intended only to establish a basic

framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program, there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 5, 1991. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to authorize the legislature to further implement and enhance the administration of the veterans' housing assistance and land programs and to expand the investment authority of the Veterans' Land Board."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

March 24, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 26
By: Tejeda

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 26 (proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund) this office has determined the following:

The bill would amend Article III, Section 49-b of the Texas Constitution to allow the Veterans Land Board to utilize the expanded options authorized in Senate Bill 647 in investing any available moneys in the Fund. Because of the anticipated improved performance of these new investment options, it is expected that additional investment income would be earned.

It is estimated that existing staff would be adequate to carry out the requirements of the bill.

The probable revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Gain to the Veterans Land Bond Fund</u>
1992	\$ 800,000
1993	1,100,000
1994	1,375,000
1995	1,625,000
1996	1,850,000

No significant fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Board and Veterans Land Board;
LBB Staff: JO, JWH, DF, KNW, LC

HOUSE COMMITTEE REPORT

91 APR 16 PM 7:14

HOUSE OF REPRESENTATIVES

1st Printing

By: Tejeda
(Counts)

S.J.R. No. 26

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment relating to investments made
2 by the Veterans' Land Board of funds in the Veterans' Land Fund or
3 the Veterans' Housing Assistance Fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Section 49-b, of the Texas
6 Constitution is amended to read as follows:

7 Sec. 49-b. By virtue of prior Amendments to this
8 Constitution, there has been created a governmental agency of the
9 State of Texas performing governmental duties which has been
10 designated the Veterans' Land Board. Said Board shall continue to
11 function for the purposes specified in all of the prior
12 Constitutional Amendments except as modified herein. Said Board
13 shall be composed of the Commissioner of the General Land Office
14 and two (2) citizens of the State of Texas, one (1) of whom shall
15 be well versed in veterans' affairs and one (1) of whom shall be
16 well versed in finances. One (1) such citizen member shall, with
17 the advice and consent of the Senate, be appointed biennially by
18 the Governor to serve for a term of four (4) years[~~;--but--the~~
19 ~~members--serving-on-said-Board-on-the-date-of-adoption-hereof-shall~~
20 ~~complete-the-terms-to-which-they-were-appointed~~]. In the event of
21 the resignation or death of any such citizen member, the Governor
22 shall appoint a replacement to serve for the unexpired portion of
23 the term to which the deceased or resigning member had been
24 appointed. The compensation for said citizen members shall be as

1 is now or may hereafter be fixed by the Legislature; and each shall
2 make bond in such amount as is now or may hereafter be prescribed
3 by the Legislature.

4 The Commissioner of the General Land Office shall act as
5 Chairman of said Board and shall be the administrator of the
6 Veterans' Land Program under such terms and restrictions as are now
7 or may hereafter be provided by law. In the absence or illness of
8 said Commissioner, the Chief Clerk of the General Land Office shall
9 be the Acting Chairman of said Board with the same duties and
10 powers that said Commissioner would have if present.

11 The Veterans' Land Board may provide for, issue and sell not
12 to exceed Nine Hundred Fifty Million Dollars (\$950,000,000) in
13 bonds or obligations of the State of Texas for the purpose of
14 creating a fund to be known as the Veterans' Land Fund, Seven
15 Hundred Million Dollars (\$700,000,000) of which have heretofore
16 been authorized. Such bonds or obligations shall be sold for not
17 less than par value and accrued interest; shall be issued in such
18 forms, denominations, and upon such terms as are now or may
19 hereafter be provided by law; shall be issued and sold at such
20 times, at such places, and in such installments as may be
21 determined by said Board; and shall bear a rate or rates of
22 interest as may be fixed by said Board but the weighted average
23 annual interest rate, as that phrase is commonly and ordinarily
24 used and understood in the municipal bond market, of all the bonds
25 issued and sold in any installment of any bonds may not exceed the

1 rate specified in Section 65 of this Article. All bonds or
2 obligations issued and sold hereunder shall, after execution by the
3 Board, approval by the Attorney General of Texas, registration by
4 the Comptroller of Public Accounts of the State of Texas, and
5 delivery to the purchaser or purchasers, be incontestable and shall
6 constitute general obligations of the State of Texas under the
7 Constitution of Texas; and all bonds heretofore issued and sold by
8 said Board are hereby in all respects validated and declared to be
9 general obligations of the State of Texas. In order to prevent
10 default in the payment of principal or interest on any such bonds,
11 the Legislature shall appropriate a sufficient amount to pay the
12 same.

13 In the sale of any such bonds or obligations, a preferential
14 right of purchase shall be given to the administrators of the
15 various Teacher Retirement Funds, the Permanent University Funds,
16 and the Permanent School Funds.

17 Said Veterans' Land Fund shall consist of any lands
18 heretofore or hereafter purchased by said Board, until the sale
19 price therefor, together with any interest and penalties due, have
20 been received by said Board (although nothing herein shall be
21 construed to prevent said Board from accepting full payment for a
22 portion of any tract), and of the moneys attributable to any bonds
23 heretofore or hereafter issued and sold by said Board which moneys
24 so attributable shall include but shall not be limited to the
25 proceeds from the issuance and sale of such bonds; the moneys

1 received from the sale or resale of any lands, or rights therein,
2 purchased with such proceeds; the moneys received from the sale or
3 resale of any lands, or rights therein, purchased with other moneys
4 attributable to such bonds; the interest and penalties received
5 from the sale or resale of such lands, or rights therein; the
6 bonuses, income, rents, royalties, and any other pecuniary benefit
7 received by said Board from any such lands; sums received by way of
8 indemnity or forfeiture for the failure of any bidder for the
9 purchase of any such bonds to comply with his bid and accept and
10 pay for such bonds or for the failure of any bidder for the
11 purchase of any lands comprising a part of said Fund to comply with
12 his bid and accept and pay for any such lands; and interest
13 received from investments of any such moneys. The principal and
14 interest on the bonds heretofore and hereafter issued by said Board
15 shall be paid out of the moneys of said Fund in conformance with
16 the Constitutional provisions authorizing such bonds; but the
17 moneys of said Fund which are not immediately committed to the
18 payment of principal and interest on such bonds, the purchase of
19 lands as herein provided, or the payment of expenses as herein
20 provided may be invested as authorized by law [~~in--bonds--or~~
21 ~~obligations--of--the--United--States~~] until such moneys [~~funds~~] are
22 needed for such purposes.

23 All moneys comprising a part of said Fund and not expended
24 for the purposes herein provided shall be a part of said Fund until
25 there are sufficient moneys therein to retire fully all of the

1 bonds heretofore or hereafter issued and sold by said Board, at
2 which time all such moneys remaining in said Fund, except such
3 portion thereof as may be necessary to retire all such bonds which
4 portion shall be set aside and retained in said Fund for the
5 purpose of retiring all such bonds, shall be deposited to the
6 credit of the General Revenue Fund to be appropriated to such
7 purposes as may be prescribed by law. All moneys becoming a part
8 of said Fund thereafter shall likewise be deposited to the credit
9 of the General Revenue Fund.

10 When a Division of said Fund (each Division consisting of the
11 moneys attributable to the bonds issued and sold pursuant to a
12 single Constitutional authorization and the lands purchased
13 therewith) contains sufficient moneys to retire all of the bonds
14 secured by such Division, the moneys thereof, except such portion
15 as may be needed to retire all of the bonds secured by such
16 Division which portion shall be set aside and remain a part of such
17 Division for the purpose of retiring all such bonds, may be used
18 for the purpose of paying the principal and the interest thereon,
19 together with the expenses herein authorized, of any other bonds
20 heretofore or hereafter issued and sold by said Board. Such use
21 shall be a matter for the discretion and direction of said Board;
22 but there may be no such use of any such moneys contrary to the
23 rights of any holder of any of the bonds issued and sold by said
24 Board or violative of any contract to which said Board is a party.

25 The Veterans' Land Fund shall be used by said Board for the

1 purpose of purchasing lands situated in the State of Texas owned by
2 the United States or any governmental agency thereof, owned by the
3 Texas Prison System or any other governmental agency of the State
4 of Texas, or owned by any person, firm, or corporation. All lands
5 thus purchased shall be acquired at the lowest price obtainable, to
6 be paid for in cash, and shall be a part of said Fund. Such lands
7 heretofore or hereafter purchased and comprising a part of said
8 Fund are hereby declared to be held for a governmental purpose,
9 although the individual purchasers thereof shall be subject to
10 taxation to the same extent and in the same manner as are
11 purchasers of lands dedicated to the Permanent Free Public School
12 Fund.

13 The lands of the Veterans' Land Fund shall be sold by said
14 Board in such quantities, on such terms, at such prices, at such
15 rates of interest and under such rules and regulations as are now
16 or may hereafter be provided by law to veterans, as they are now or
17 may hereafter be defined by the laws of the State of Texas. The
18 foregoing notwithstanding, any lands in the Veterans' Land Fund
19 which have been first offered for sale to veterans and which have
20 not been sold may be sold or resold to such purchasers, in such
21 quantities, and on such terms, and at such prices and rates of
22 interest, and under such rules and regulations as are now or may
23 hereafter be provided by law.

24 Said Veterans' Land Fund, to the extent of the moneys
25 attributable to any bonds hereafter issued and sold by said Board

1 may be used by said Board, as is now or may hereafter be provided
2 by law, for the purpose of paying the expenses of surveying,
3 monumenting, road construction, legal fees, recordation fees,
4 advertising and other like costs necessary or incidental to the
5 purchase and sale, or resale, of any lands purchased with any of
6 the moneys attributable to such additional bonds, such expenses to
7 be added to the price of such lands when sold, or resold, by said
8 Board; for the purpose of paying the expenses of issuing, selling,
9 and delivering any such additional bonds; and for the purpose of
10 meeting the expenses of paying the interest or principal due or to
11 become due on any such additional bonds.

12 All of the moneys attributable to any series of bonds
13 hereafter issued and sold by said Board (a "series of bonds" being
14 all of the bonds issued and sold in a single transaction as a
15 single installment of bonds) may be used for the purchase of lands
16 as herein provided, to be sold as herein provided, for a period
17 ending eight (8) years after the date of sale of such series of
18 bonds; provided, however, that so much of such moneys as may be
19 necessary to pay interest on bonds hereafter issued and sold shall
20 be set aside for that purpose in accordance with the resolution
21 adopted by said Board authorizing the issuance and sale of such
22 series of bonds. After such eight (8) year period, all of such
23 moneys shall be set aside for the retirement of any bonds hereafter
24 issued and sold and to pay interest thereon, together with any
25 expenses as provided herein, in accordance with the resolution or

1 resolutions authorizing the issuance and sale of such additional
2 bonds, until there are sufficient moneys to retire all of the bonds
3 hereafter issued and sold, at which time all such moneys then
4 remaining a part of said Veterans' Land Fund and thereafter
5 becoming a part of said Fund shall be governed as elsewhere
6 provided herein.

7 This Amendment being intended only to establish a basic
8 framework and not to be a comprehensive treatment of the Veterans'
9 Land Program, there is hereby reposed in the Legislature full power
10 to implement and effectuate the design and objects of this
11 Amendment, including the power to delegate such duties,
12 responsibilities, functions, and authority to the Veterans' Land
13 Board as it believes necessary.

14 Should the Legislature enact any enabling laws in
15 anticipation of this Amendment, no such law shall be void by reason
16 of its anticipatory nature.

17 SECTION 2. Article III, Sections 49-b-1(d) and (e), of the
18 Texas Constitution are amended to read as follows:

19 (d) Three hundred million dollars of the state bonds
20 authorized by this section shall be used to augment the Veterans'
21 Land Fund. The Veterans' Land Fund shall be used by the board for
22 the purpose of purchasing lands situated in the State of Texas
23 owned by the United States government or any agency thereof, the
24 State of Texas or any subdivision or agency thereof, or any person,
25 firm, or corporation. The lands shall be sold to veterans in such

1 quantities, on such terms, at such prices, at such rates of
2 interest, and under such rules and regulations as may be authorized
3 by law. The expenses of the board in connection with the issuance
4 of the bonds and the purchase and sale of the lands may be paid
5 from money in the fund. The Veterans' Land Fund shall continue to
6 consist of any lands purchased by the board until the sale price
7 therefor, together with any interest and penalties due, have been
8 received by the board (although nothing herein shall prevent the
9 board from accepting full payment for a portion of any tract) and
10 of the money attributable to any bonds issued and sold by the board
11 for the Veterans' Land Fund, which money so attributable shall
12 include but shall not be limited to the proceeds from the issuance
13 and sale of such bonds; the money received from the sale or resale
14 of any lands, or rights therein, purchased from such proceeds; the
15 money received from the sale or resale of any lands, or rights
16 therein, purchased with other money attributable to such bonds; the
17 interest and penalties received from the sale or resale of such
18 lands, or rights therein; the bonuses, income, rents, royalties,
19 and any other pecuniary benefit received by the board from any such
20 lands; sums received by way of indemnity or forfeiture for the
21 failure of any bidder for the purchase of any such bonds to comply
22 with his bid and accept and pay for such bonds or for the failure
23 of any bidder for the purchase of any lands comprising a part of
24 the fund to comply with his bid and accept and pay for any such
25 lands; and interest received from investments of any such money.

1 The principal of and interest on the general obligation bonds
2 previously authorized by Section 49-b of this constitution shall be
3 paid out of the money of the fund in conformance with the
4 constitutional provisions authorizing such bonds. The principal of
5 and interest on the general obligation bonds authorized by this
6 section for the benefit of the Veterans' Land Fund shall be paid
7 out of the money of the fund, but the money of the fund which is
8 not immediately committed to the payment of principal and interest
9 on such bonds, the purchase of lands as herein provided, or the
10 payment of expenses as herein provided may be invested as
11 authorized by law [~~in-bonds-or-obligations-of-the-United-States~~]
12 until the money is needed for such purposes.

13 (e) The Veterans' Housing Assistance Fund is created, and \$1
14 billion of the state bonds authorized by this section shall be used
15 for the Veterans' Housing Assistance Fund, \$500 million of which
16 have heretofore been authorized. Money in the Veterans' Housing
17 Assistance Fund shall be administered by the Veterans' Land Board
18 and shall be used for the purpose of making home mortgage loans to
19 veterans for housing within the State of Texas in such quantities,
20 on such terms, at such rates of interest, and under such rules and
21 regulations as may be authorized by law. The expenses of the board
22 in connection with the issuance of the bonds and the making of the
23 loans may be paid from money in the fund. The Veterans' Housing
24 Assistance Fund shall consist of any interest of the board in all
25 home mortgage loans made to veterans by the board pursuant to a

Veterans' Housing Assistance Program which the legislature may establish by appropriate legislation until, with respect to any such home mortgage loan, the principal amount, together with any interest and penalties due, have been received by the board; the money attributable to any bonds issued and sold by the board to provide money for the fund, which money so attributable shall include but shall not be limited to the proceeds from the issuance and sale of such bonds; income, rents, and any other pecuniary benefit received by the board as a result of making such loans; sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any such bonds to comply with his bid and accept and pay for such bonds; and interest received from investments of any such money. The principal of and interest on the general obligation bonds authorized by this section for the benefit of the Veterans' Housing Assistance Fund shall be paid out of the money of the fund, but the money of the fund which is not immediately committed to the payment of principal and interest on such bonds, the making of home mortgage loans as herein provided, or the payment of expenses as herein provided may be invested as authorized by law [~~in bonds or obligations of the United States~~] until the money is needed for such purposes.

SECTION 3. Article III, Section 49-b-1, of the Texas Constitution is amended by adding Subsection (h) to read as follows:

(h) This Amendment being intended only to establish a basic

1 framework and not to be a comprehensive treatment of the Veterans'
2 Housing Assistance Program and the Veterans' Land Program, there is
3 hereby reposed in the Legislature full power to implement and
4 effectuate the design and objects of this Amendment, including the
5 power to delegate such duties, responsibilities, functions, and
6 authority to the Veterans' Land Board as it believes necessary.

7 SECTION 4. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held on November 5,
9 1991. The ballot shall be printed to provide for voting for or
10 against the proposition: "The constitutional amendment to
11 authorize the legislature to further implement and enhance the
12 administration of the veterans' housing assistance and land
13 programs and to expand the investment authority of the Veterans'
14 Land Board."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

4.16.91
(date)

Sir:

We, your COMMITTEE ON ENVIRONMENTAL AFFAIRS,

to whom was referred SJR 26 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

☒ do pass, without amendment.

☐ do pass, with amendment(s).

☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ☐ yes ☒ no

An author's fiscal statement was requested. ☐ yes ☒ no

A criminal justice policy impact statement was requested. ☐ yes ☒ no

An equalized educational funding impact statement was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

A water development policy impact statement was requested. ☐ yes ☒ no

A federal funds impact statement was requested. ☐ yes ☒ no

☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

This measure ☐ proposes new law. ☒ amends existing law.

House Sponsor of Senate Measure Counts

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Saunders, Ch.	<input checked="" type="checkbox"/>			
Oakley, V.C.				<input checked="" type="checkbox"/>
Alexander, C.B.O.	<input checked="" type="checkbox"/>			
Harris				<input checked="" type="checkbox"/>
Hightower				<input checked="" type="checkbox"/>
Holzheuser	<input checked="" type="checkbox"/>			
Jackson	<input checked="" type="checkbox"/>			
Kuempel	<input checked="" type="checkbox"/>			
Smith, A.	<input checked="" type="checkbox"/>			

Total

6 aye

0 nay

0 present, not voting

3 absent

[Signature]
CHAIRMAN

[Signature]
COMMITTEE COORDINATOR

COMMITTEE ON ENVIRONMENTAL AFFAIRS

By Tejeda
(Counts)

S.J.R. 26

BACKGROUND

Funds in the Veterans' Land Fund and the Veterans' Housing Assistance Fund are currently required to be invested by the Veterans' Land Board in bonds or obligations of the United States. Proponents of this S.J.R. 26 believe that specific authority for the investment of these funds should be granted the Veterans' Land Board through legislation.

PURPOSE

As proposed, S.J.R. 26 proposes a constitutional amendment to allow money that remains in the Veterans' Land Fund or the Veterans' Housing Assistance Fund after payment of principal and interest on general obligation bonds to be invested as authorized by law, rather than specifically in bonds and obligations of the U.S., until such moneys are needed.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Section 49-b, Texas Constitution, as follows:

Sec. 49-b. Deletes certain language that requires members serving on the Veterans' Land Board on the date of adoption of a prior constitutional amendment to complete their appointed terms. Allows certain bond money that remains in the Veterans' Land Fund after payment of principal and interest to be invested as authorized by law, rather than specifically in bonds and obligations of the U.S., until such moneys are needed.

SECTION 2. Amends Article III, Section 49-b-1(d) and (e), Texas Constitution, as follows:

Sec. 49-b-1. (d) Allows money that remains in the Veterans' Land Fund after payment of principal and interest on general obligation bonds to be invested as authorized by law, rather than specifically in bonds and obligations of the U.S., until such moneys are needed.

(e) Allows money that remains in the Veterans' Housing Assistance Fund after payment of principal and interest on general obligation bonds to be invested as authorized by law, rather than specifically in bonds and obligations of the U.S., until such moneys are needed.

SECTION 3. Amends Article III, Section 49-b-1, Texas Constitution, by adding Subsection (h), as follows:

Sec. 49-b-1. (h) Provides that this Amendment, being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program; there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

SECTION 4. Requires this proposed amendment to be submitted to the voters at an election on November 5, 1991. Provides the language for the ballot.

SUMMARY OF COMMITTEE ACTION

S.J.R. 26 was considered in a public hearing on April 16, 1991. No testimony was taken on the bill. The motion to report the bill favorably to the House carried by the following vote: Ayes: 6, Nays: 0, PNV: 0, Absent: 3.

ENVAC032891

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

March 24, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 26
By: Tejeda

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 26 (proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund) this office has determined the following:

The bill would amend Article III, Section 49-b of the Texas Constitution to allow the Veterans Land Board to utilize the expanded options authorized in Senate Bill 647 in investing any available moneys in the Fund. Because of the anticipated improved performance of these new investment options, it is expected that additional investment income would be earned.

It is estimated that existing staff would be adequate to carry out the requirements of the bill.

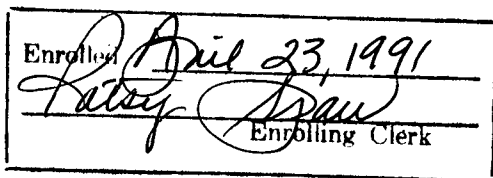
The probable revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Gain to the Veterans Land Bond Fund</u>
1992	\$ 800,000
1993	1,100,000
1994	1,375,000
1995	1,625,000
1996	1,850,000

No significant fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Board and Veterans Land Board;
LBB Staff: JO, JWH, DF, KNW, LC



S.J.R. No. 26

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Section 49-b, of the Texas Constitution is amended to read as follows:

Sec. 49-b. By virtue of prior Amendments to this Constitution, there has been created a governmental agency of the State of Texas performing governmental duties which has been designated the Veterans' Land Board. Said Board shall continue to function for the purposes specified in all of the prior Constitutional Amendments except as modified herein. Said Board shall be composed of the Commissioner of the General Land Office and two (2) citizens of the State of Texas, one (1) of whom shall be well versed in veterans' affairs and one (1) of whom shall be well versed in finances. One (1) such citizen member shall, with the advice and consent of the Senate, be appointed biennially by the Governor to serve for a term of four (4) years[~~---but---the members---serving-on-said-Board-on-the-date-of-adoption-hereof-shall complete-the-terms-to-which-they-were-appointed~~]. In the event of the resignation or death of any such citizen member, the Governor shall appoint a replacement to serve for the unexpired portion of the term to which the deceased or resigning member had been appointed. The compensation for said citizen members shall be as

1 is now or may hereafter be fixed by the Legislature; and each shall
2 make bond in such amount as is now or may hereafter be prescribed
3 by the Legislature.

4 The Commissioner of the General Land Office shall act as
5 Chairman of said Board and shall be the administrator of the
6 Veterans' Land Program under such terms and restrictions as are now
7 or may hereafter be provided by law. In the absence or illness of
8 said Commissioner, the Chief Clerk of the General Land Office shall
9 be the Acting Chairman of said Board with the same duties and
10 powers that said Commissioner would have if present.

11 The Veterans' Land Board may provide for, issue and sell not
12 to exceed Nine Hundred Fifty Million Dollars (\$950,000,000) in
13 bonds or obligations of the State of Texas for the purpose of
14 creating a fund to be known as the Veterans' Land Fund, Seven
15 Hundred Million Dollars (\$700,000,000) of which have heretofore
16 been authorized. Such bonds or obligations shall be sold for not
17 less than par value and accrued interest; shall be issued in such
18 forms, denominations, and upon such terms as are now or may
19 hereafter be provided by law; shall be issued and sold at such
20 times, at such places, and in such installments as may be
21 determined by said Board; and shall bear a rate or rates of
22 interest as may be fixed by said Board but the weighted average
23 annual interest rate, as that phrase is commonly and ordinarily
24 used and understood in the municipal bond market, of all the bonds
25 issued and sold in any installment of any bonds may not exceed the

rate specified in Section 65 of this Article. All bonds or obligations issued and sold hereunder shall, after execution by the Board, approval by the Attorney General of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and delivery to the purchaser or purchasers, be incontestable and shall constitute general obligations of the State of Texas under the Constitution of Texas; and all bonds heretofore issued and sold by said Board are hereby in all respects validated and declared to be general obligations of the State of Texas. In order to prevent default in the payment of principal or interest on any such bonds, the Legislature shall appropriate a sufficient amount to pay the same.

In the sale of any such bonds or obligations, a preferential right of purchase shall be given to the administrators of the various Teacher Retirement Funds, the Permanent University Funds, and the Permanent School Funds.

Said Veterans' Land Fund shall consist of any lands heretofore or hereafter purchased by said Board, until the sale price therefor, together with any interest and penalties due, have been received by said Board (although nothing herein shall be construed to prevent said Board from accepting full payment for a portion of any tract), and of the moneys attributable to any bonds heretofore or hereafter issued and sold by said Board which moneys so attributable shall include but shall not be limited to the proceeds from the issuance and sale of such bonds; the moneys

1 received from the sale or resale of any lands, or rights therein,
2 purchased with such proceeds; the moneys received from the sale or
3 resale of any lands, or rights therein, purchased with other moneys
4 attributable to such bonds; the interest and penalties received
5 from the sale or resale of such lands, or rights therein; the
6 bonuses, income, rents, royalties, and any other pecuniary benefit
7 received by said Board from any such lands; sums received by way of
8 indemnity or forfeiture for the failure of any bidder for the
9 purchase of any such bonds to comply with his bid and accept and
10 pay for such bonds or for the failure of any bidder for the
11 purchase of any lands comprising a part of said Fund to comply with
12 his bid and accept and pay for any such lands; and interest
13 received from investments of any such moneys. The principal and
14 interest on the bonds heretofore and hereafter issued by said Board
15 shall be paid out of the moneys of said Fund in conformance with
16 the Constitutional provisions authorizing such bonds; but the
17 moneys of said Fund which are not immediately committed to the
18 payment of principal and interest on such bonds, the purchase of
19 lands as herein provided, or the payment of expenses as herein
20 provided may be invested as authorized by law [~~in--bonds--or~~
21 ~~obligations--of--the--United--States~~] until such moneys [~~funds~~] are
22 needed for such purposes.

23 All moneys comprising a part of said Fund and not expended
24 for the purposes herein provided shall be a part of said Fund until
25 there are sufficient moneys therein to retire fully all of the

1 bonds heretofore or hereafter issued and sold by said Board, at
2 which time all such moneys remaining in said Fund, except such
3 portion thereof as may be necessary to retire all such bonds which
4 portion shall be set aside and retained in said Fund for the
5 purpose of retiring all such bonds, shall be deposited to the
6 credit of the General Revenue Fund to be appropriated to such
7 purposes as may be prescribed by law. All moneys becoming a part
8 of said Fund thereafter shall likewise be deposited to the credit
9 of the General Revenue Fund.

10 When a Division of said Fund (each Division consisting of the
11 moneys attributable to the bonds issued and sold pursuant to a
12 single Constitutional authorization and the lands purchased
13 therewith) contains sufficient moneys to retire all of the bonds
14 secured by such Division, the moneys thereof, except such portion
15 as may be needed to retire all of the bonds secured by such
16 Division which portion shall be set aside and remain a part of such
17 Division for the purpose of retiring all such bonds, may be used
18 for the purpose of paying the principal and the interest thereon,
19 together with the expenses herein authorized, of any other bonds
20 heretofore or hereafter issued and sold by said Board. Such use
21 shall be a matter for the discretion and direction of said Board;
22 but there may be no such use of any such moneys contrary to the
23 rights of any holder of any of the bonds issued and sold by said
24 Board or violative of any contract to which said Board is a party.

25 The Veterans' Land Fund shall be used by said Board for the

1 purpose of purchasing lands situated in the State of Texas owned by
2 the United States or any governmental agency thereof, owned by the
3 Texas Prison System or any other governmental agency of the State
4 of Texas, or owned by any person, firm, or corporation. All lands
5 thus purchased shall be acquired at the lowest price obtainable, to
6 be paid for in cash, and shall be a part of said Fund. Such lands
7 heretofore or hereafter purchased and comprising a part of said
8 Fund are hereby declared to be held for a governmental purpose,
9 although the individual purchasers thereof shall be subject to
10 taxation to the same extent and in the same manner as are
11 purchasers of lands dedicated to the Permanent Free Public School
12 Fund.

13 The lands of the Veterans' Land Fund shall be sold by said
14 Board in such quantities, on such terms, at such prices, at such
15 rates of interest and under such rules and regulations as are now
16 or may hereafter be provided by law to veterans, as they are now or
17 may hereafter be defined by the laws of the State of Texas. The
18 foregoing notwithstanding, any lands in the Veterans' Land Fund
19 which have been first offered for sale to veterans and which have
20 not been sold may be sold or resold to such purchasers, in such
21 quantities, and on such terms, and at such prices and rates of
22 interest, and under such rules and regulations as are now or may
23 hereafter be provided by law.

24 Said Veterans' Land Fund, to the extent of the moneys
25 attributable to any bonds hereafter issued and sold by said Board

1 may be used by said Board, as is now or may hereafter be provided
2 by law, for the purpose of paying the expenses of surveying,
3 monumenting, road construction, legal fees, recordation fees,
4 advertising and other like costs necessary or incidental to the
5 purchase and sale, or resale, of any lands purchased with any of
6 the moneys attributable to such additional bonds, such expenses to
7 be added to the price of such lands when sold, or resold, by said
8 Board; for the purpose of paying the expenses of issuing, selling,
9 and delivering any such additional bonds; and for the purpose of
10 meeting the expenses of paying the interest or principal due or to
11 become due on any such additional bonds.

12 All of the moneys attributable to any series of bonds
13 hereafter issued and sold by said Board (a "series of bonds" being
14 all of the bonds issued and sold in a single transaction as a
15 single installment of bonds) may be used for the purchase of lands
16 as herein provided, to be sold as herein provided, for a period
17 ending eight (8) years after the date of sale of such series of
18 bonds; provided, however, that so much of such moneys as may be
19 necessary to pay interest on bonds hereafter issued and sold shall
20 be set aside for that purpose in accordance with the resolution
21 adopted by said Board authorizing the issuance and sale of such
22 series of bonds. After such eight (8) year period, all of such
23 moneys shall be set aside for the retirement of any bonds hereafter
24 issued and sold and to pay interest thereon, together with any
25 expenses as provided herein, in accordance with the resolution or

1 resolutions authorizing the issuance and sale of such additional
2 bonds, until there are sufficient moneys to retire all of the bonds
3 hereafter issued and sold, at which time all such moneys then
4 remaining a part of said Veterans' Land Fund and thereafter
5 becoming a part of said Fund shall be governed as elsewhere
6 provided herein.

7 This Amendment being intended only to establish a basic
8 framework and not to be a comprehensive treatment of the Veterans'
9 Land Program, there is hereby reposed in the Legislature full power
10 to implement and effectuate the design and objects of this
11 Amendment, including the power to delegate such duties,
12 responsibilities, functions, and authority to the Veterans' Land
13 Board as it believes necessary.

14 Should the Legislature enact any enabling laws in
15 anticipation of this Amendment, no such law shall be void by reason
16 of its anticipatory nature.

17 SECTION 2. Article III, Sections 49-b-1(d) and (e), of the
18 Texas Constitution are amended to read as follows:

19 (d) Three hundred million dollars of the state bonds
20 authorized by this section shall be used to augment the Veterans'
21 Land Fund. The Veterans' Land Fund shall be used by the board for
22 the purpose of purchasing lands situated in the State of Texas
23 owned by the United States government or any agency thereof, the
24 State of Texas or any subdivision or agency thereof, or any person,
25 firm, or corporation. The lands shall be sold to veterans in such

quantities, on such terms, at such prices, at such rates of interest, and under such rules and regulations as may be authorized by law. The expenses of the board in connection with the issuance of the bonds and the purchase and sale of the lands may be paid from money in the fund. The Veterans' Land Fund shall continue to consist of any lands purchased by the board until the sale price therefor, together with any interest and penalties due, have been received by the board (although nothing herein shall prevent the board from accepting full payment for a portion of any tract) and of the money attributable to any bonds issued and sold by the board for the Veterans' Land Fund, which money so attributable shall include but shall not be limited to the proceeds from the issuance and sale of such bonds; the money received from the sale or resale of any lands, or rights therein, purchased from such proceeds; the money received from the sale or resale of any lands, or rights therein, purchased with other money attributable to such bonds; the interest and penalties received from the sale or resale of such lands, or rights therein; the bonuses, income, rents, royalties, and any other pecuniary benefit received by the board from any such lands; sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any such bonds to comply with his bid and accept and pay for such bonds or for the failure of any bidder for the purchase of any lands comprising a part of the fund to comply with his bid and accept and pay for any such lands; and interest received from investments of any such money.

1 The principal of and interest on the general obligation bonds
2 previously authorized by Section 49-b of this constitution shall be
3 paid out of the money of the fund in conformance with the
4 constitutional provisions authorizing such bonds. The principal of
5 and interest on the general obligation bonds authorized by this
6 section for the benefit of the Veterans' Land Fund shall be paid
7 out of the money of the fund, but the money of the fund which is
8 not immediately committed to the payment of principal and interest
9 on such bonds, the purchase of lands as herein provided, or the
10 payment of expenses as herein provided may be invested as
11 authorized by law [~~in bonds or obligations of the United States~~]
12 until the money is needed for such purposes.

13 (e) The Veterans' Housing Assistance Fund is created, and \$1
14 billion of the state bonds authorized by this section shall be used
15 for the Veterans' Housing Assistance Fund, \$500 million of which
16 have heretofore been authorized. Money in the Veterans' Housing
17 Assistance Fund shall be administered by the Veterans' Land Board
18 and shall be used for the purpose of making home mortgage loans to
19 veterans for housing within the State of Texas in such quantities,
20 on such terms, at such rates of interest, and under such rules and
21 regulations as may be authorized by law. The expenses of the board
22 in connection with the issuance of the bonds and the making of the
23 loans may be paid from money in the fund. The Veterans' Housing
24 Assistance Fund shall consist of any interest of the board in all
25 home mortgage loans made to veterans by the board pursuant to a

1 Veterans' Housing Assistance Program which the legislature may
 2 establish by appropriate legislation until, with respect to any
 3 such home mortgage loan, the principal amount, together with any
 4 interest and penalties due, have been received by the board; the
 5 money attributable to any bonds issued and sold by the board to
 6 provide money for the fund, which money so attributable shall
 7 include but shall not be limited to the proceeds from the issuance
 8 and sale of such bonds; income, rents, and any other pecuniary
 9 benefit received by the board as a result of making such loans;
 10 sums received by way of indemnity or forfeiture for the failure of
 11 any bidder for the purchase of any such bonds to comply with his
 12 bid and accept and pay for such bonds; and interest received from
 13 investments of any such money. The principal of and interest on
 14 the general obligation bonds authorized by this section for the
 15 benefit of the Veterans' Housing Assistance Fund shall be paid out
 16 of the money of the fund, but the money of the fund which is not
 17 immediately committed to the payment of principal and interest on
 18 such bonds, the making of home mortgage loans as herein provided,
 19 or the payment of expenses as herein provided may be invested as
 20 authorized by law [~~in bonds or obligations of the United States~~]
 21 until the money is needed for such purposes.

22 SECTION 3. Article III, Section 49-b-1, of the Texas
 23 Constitution is amended by adding Subsection (h) to read as
 24 follows:

25 (h) This Amendment being intended only to establish a basic

1 framework and not to be a comprehensive treatment of the Veterans'
2 Housing Assistance Program and the Veterans' Land Program, there is
3 hereby reposed in the Legislature full power to implement and
4 effectuate the design and objects of this Amendment, including the
5 power to delegate such duties, responsibilities, functions, and
6 authority to the Veterans' Land Board as it believes necessary.

7 SECTION 4. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held on November 5,
9 1991. The ballot shall be printed to provide for voting for or
10 against the proposition: "The constitutional amendment to
11 authorize the legislature to further implement and enhance the
12 administration of the veterans' housing assistance and land
13 programs and to expand the investment authority of the Veterans'
14 Land Board."

S.J.R. No. 26

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 26 was adopted by the Senate on March 27, 1991, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 26 was adopted by the House on April 22, 1991, by the following vote: Yeas 136, Nays 0, one present not voting.

Chief Clerk of the House

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

March 24, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 26
By: Tejeda

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 26 (proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund) this office has determined the following:

The bill would amend Article III, Section 49-b of the Texas Constitution to allow the Veterans Land Board to utilize the expanded options authorized in Senate Bill 647 in investing any available moneys in the Fund. Because of the anticipated improved performance of these new investment options, it is expected that additional investment income would be earned.

It is estimated that existing staff would be adequate to carry out the requirements of the bill.

The probable revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Gain to the Veterans Land Bond Fund</u>
1992	\$ 800,000
1993	1,100,000
1994	1,375,000
1995	1,625,000
1996	1,850,000

No significant fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Board and Veterans Land Board;
LBB Staff: JO, JWH, DF, KNW, LC

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 26 was adopted by the Senate on March 27, 1991, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 26 was adopted by the House on April 22, by the following vote: Yeas 136, Nays 0, one present not voting.

Chief Clerk of the House

Lyda

proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund.

3/28/91

MAR - 4 1991

Filed with the Secretary of the Senate

MAR 26 1991

Read and referred to Committee on FINANCE

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

MAR 27 1991

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

____ years, ____ nays

MAR 27 1991

Read second time, _____, and ordered engrossed by:

unanimous consent
a viva voce vote

____ years, ____ nays

MAR 27 1991

Caption ordered amended to conform to the body of the bill.

Senate and Constitutional 3 Day Rule suspended by a vote of 29 yeas, 0 nays.

MAR 27 1991

Read third time, _____, and passed by: 29 yeas, 0 nays*Betty King*

SECRETARY OF THE SENATE

OTHER ACTION:

Mar. 27, 1991

Engrossed

Mar. 27, 1991

Sent to House

Engrossing Clerk

MAR 27 1991

Received from the Senate

APR 3 1991

Read first time and referred to Committee on

ENVIRONMENTAL AFFAIRS

APR 16 1991

Reported favorably ~~amended~~, sent to Printer

4:15 pm

APR 16 1991

Printed and Distributed

7:14 pm

APR 22 1991

Read Second time (~~amended~~) and finally adopted~~failed adoption~~ by Record Vote of 136 yeas, 0 nays 1 present not voting.

Read third time (amended) and finally adopted

failed adoption by Record Vote of _____ yeas, _____ nays _____ present not voting.

APR 22 1991

Caption ordered amended to conform to body of bill.

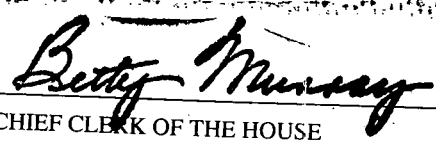
Returned to Senate.

APR 22 1991

Returned from House without amendment.

Returned from House with _____ amendments.

Concurred in House amendments by a viva voce vote _____ yeas, _____ nays.


 CHIEF CLERK OF THE HOUSE

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____, _____, and _____.

_____ House granted Senate request. House conferees appointed: _____, Chairman; _____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____.

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____.

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____.

{ a viva voce vote
_____ yeas, _____ nays

91 APR 16 PM 7:14

HOUSE OF REPRESENTATIVES

145864
FVA

mt